

Internal
C0070019
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EVENT VIOLATION INSPECTOR'S STATEMENT

Company/Mine: Andalex Resources, Inc/Centennial Project
Permit #: C/007/019

NOV # 10032
Violation # 1 of 1

A. SERIOUSNESS

1. What type of event is applicable to the regulation cited? Refer to the DOGM reference list of event below and remember that the event is NOT the same as the violation. Mark and explain each event.

- | | | |
|-------------------------------------|----|--|
| <input type="checkbox"/> | a. | Activity outside the approved permit area. |
| <input type="checkbox"/> | b. | Injury to the public (public safety). |
| <input type="checkbox"/> | c. | Damage to property. |
| <input type="checkbox"/> | d. | Conducting activities without appropriate approvals. |
| <input type="checkbox"/> | e. | Environmental harm. |
| <input checked="" type="checkbox"/> | f. | Water pollution. |
| <input type="checkbox"/> | g. | Loss of reclamation/revegetation potential. |
| <input type="checkbox"/> | h. | Reduced establishment, diverse and effective vegetative cover. |
| <input checked="" type="checkbox"/> | i. | No event occurred as a result of the violation. |
| <input type="checkbox"/> | j. | Other. |

Explanation: The applicable event is Water Pollution. The event, Water Pollution, did not occur. The disturbed diversion DD-3 referenced in Citation 10032 was totally blocked by large rocks during the inspection on 01/21/2009 and was first noticed on the prior inspection of 12/17/2008. The operator was warned on 12/17/2008 of the blockage and failed to take any action prior to the inspection on 01/21/2009.

2. Has the even occurred? No

If yes, describe it. If no, what would cause it to occur and what is the probability of the event(s) occurring? (None, Unlikely, Likely).

Explanation: The probability of the event, Water Pollution, occurring is unlikely. The disturbed diversion reports to a sediment pond before leaving the permit area.

3. Did any damage occur as a result of the violation? No

If yes, describe the duration and extent of the damage or impact. How much damage may have occurred if the violation had not bee discovered by a DOGM inspector? Describe this potential damage and whether or not it would extend off the disturbed and/or permit area.

Event Violation Inspector's Statement

NOV/CO # 10032
Violation # 1 of 1

describe how rapid compliance was achieved (give date) and describe the measures the operator took to comply as rapidly as possible.

Explanation: _____

2. Explain whether or not the operator had the necessary resources on site to achieve compliance.

Explanation: _____

3. Was the submission of plans prior to physical activity required by this NOV / CO? No If yes, explain.

Explanation: _____

Karl R. Hauskeeper
Authorized Representative

Karl R. Hauskeeper
Signature

February 2, 2009
Date

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